

# EXHIBIT 20

**DECLARATION OF ANSHUMAN RAZDAN**

I, Anshuman Razdan, declare as follows:

1. I am the Vice President for Research and Innovation at the University of Oregon (“UO”) in Eugene, Oregon. I have held that position since July 1, 2022, and I also hold a tenured full professor position in the Department of Computer Information Science at UO. Previously, I was the Associate Vice President for Research at the University of Delaware (2016 – 2022) and held faculty and administrative positions at Arizona State University (1996 – 2016).

2. As Vice President for Research and Innovation, I have personal knowledge of the contents of this declaration or have knowledge of the matters based on my review of information and records gathered by UO personnel, and could testify thereto.

3. The University of Oregon receives substantial annual funding from the National Institutes of Health (“NIH”). In Fiscal Year 2023-24, the University of Oregon had 254 NIH awards which resulted in \$54 million of research expenditures, including \$14 million for facilities and administration.

4. The funding that the University of Oregon receives from NIH supports critical and cutting-edge medical research, which millions of Americans benefit from and depend on. For example:

**Category 1: Prevention Science – Impacts at-risk kids, youth, and adults**

- a. UO has an \$11 million NIH grant that supports a center focused on understanding, preventing, and providing interventions to parents who are opioid users.
- b. Additionally, UO has received a \$3.7 million NIH grant to build a new approach to classroom behavior, the Inclusive Skill-Building Learning Approach (ISLA), which provides an alternative to removing students from classrooms and schools.

UO Professor Dr. Rhonda Nese and her team received this grant to test the model in 60 middle schools across six states (Oregon, Alabama, California, Georgia, Hawaii, and Texas).

**Category 2: Neurosciences: Unlocking basic mechanisms and using zebrafish as a model organism for human diseases**

- c. Two NIH-funded resources at the UO support zebrafish-related research worldwide: The Zebrafish Information Network (ZFIN) is the centralized, online database for zebrafish genetic and genomic data. ZFIN provides expertly curated, organized, and cross-referenced information about zebrafish to the international research community. The Zebrafish International Resource Center (ZIRC) is a centralized repository for zebrafish genetic stocks and research materials services that are available for distribution to the international research community. As detailed below, UO's work in innovating this model for enabling medical research has been a major contributor to health research around the world.
5. Indirect costs are essential for supporting this research. The NIH's proposal to cut indirect cost rates to 15% would end or seriously jeopardize all of the research projects described in Paragraph 4(a)-(c).
6. Examples of facilities and equipment supported as indirect costs include our Terrestrial Animal Facility, the Aquatic Animal Facility including a large zebrafish facility, the Genomics and Cell Characterization Core Facility, the Lewis Center for Neuroimaging that operates two FMRI, and the Research Greenhouses. Without these facilities that house state-of-the-art equipment, we cannot conduct the vital research supported by NIH grants.

7. Indirect costs also help fund a cadre of experts needed to run and maintain advanced equipment, including skilled technicians and scientists with advanced degrees (up to PhD). As one example, the live animal research facilities on UO's campus (both terrestrial and aquatic) require trained professionals who adhere to strict care requirements mandated by federal and state law, making them very expensive to operate.

8. To illustrate some examples of indirect costs with respect to the areas of research described in Paragraph 4(a)-(c) above:

- a. Psychologists and Prevention Science researchers rely on clinical trials, some involving our advanced neuroimaging facilities that operate two fMRIs. Without the ability to image brain function, the researchers could not understand and correlate cause and effect relationships.
  - b. The University of Oregon is known for the discovery of the scientific fact that the tiny zebrafish can be used as a model organism for human diseases. NIH has funded a zebrafish facility that has maintained thousands of genetic lines. Researchers from around the world using zebrafish request custom crafted genetic lines and our facility ships them. Without this facility, not only UO faculty, but also researchers in the U.S. and around the world, will be left without a source to supply them the zebrafish for their experiments, thus hindering advancement of their research. Neuroscientists working on solving Parkinson's, Alzheimer's, and other devastating diseases rely on understanding and experimenting on the zebrafish first before applying them to higher order animals and, finally, to humans.
9. Physical space costs are one of the largest components of indirect costs, and the amount of space available to researchers has a direct and obvious impact on the amount of research

that can be done at the University of Oregon. Indirect costs are extremely important as part of cost recovery. They pay for utilities to run the labs where the research is happening. At UO, we have one building under construction that will house a bio-medical engineering faculty and their labs, as well as student spaces and equipment.

10. In addition, indirect costs fund the administration of awards, including staff who ensure compliance with a vast number of regulatory mandates from agencies such as NIH.<sup>1</sup> These mandates serve many important functions, including protecting human and animal subjects involved in research; ensuring research integrity; properly managing and disposing of chemical and biological agents used in research; preventing financial conflicts of interest; managing funds; preventing intellectual property, technologies, or national security expertise from being inappropriately accessed by foreign adversaries; and providing the high level of cybersecurity, data storage, and computing environments mandated for regulated data.

11. Recovery of the University of Oregon's indirect costs is based on predetermined rates that have been contractually negotiated with the federal government.

12. UO's current negotiated rate for organized research is 49% (up from 47.5%), last negotiated August 2023 and valid through June 30, 2027. The rate is 48% for sponsored instruction and training, 33% for other sponsored activities, and 26% for off-campus activities.

13. The impact of a reduction in the indirect cost rate would be devastating for UO. Of the \$36 million in NIH funding that the University of Oregon received in fiscal year 2024, approximately \$18.7 million was allocated for direct costs and \$17.3 million for indirect costs. Similarly, in fiscal year 2025, the University of Oregon expects to receive approximately \$21 million in NIH funding for direct costs, while \$19 million is allocated for indirect costs. And over

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<sup>1</sup> <https://grants.nih.gov/grants/policy/nihgps/nihgps.pdf>

the next five years, University of Oregon anticipates receiving an average of \$21 million from the NIH for annual direct costs. Based on the predetermined indirect cost rate of 49%, which was agreed upon by the federal government (HHS) as of June 25th, 2024, the University thus expects to receive approximately \$19 million in indirect cost recovery on an annual basis.

14. If—contrary to what the University of Oregon has negotiated with the federal government—the indirect cost rate drops to 15%, that will reduce UO’s anticipated annual indirect cost recovery from NIH by over \$10 million.

15. This reduction will have immediate and deeply damaging effects on the University of Oregon’s ability to conduct research. Most critically, it will necessarily and immediately result in staffing reductions across the board. UO will have to cut the substantial number of services that are completely dedicated to supporting research. For example:

- a. The Institutional Animal Care and Use Committee (“IACUC”) is established by federal mandate at institutions that use live, vertebrate animals for research, teaching, and testing activities. The IACUC oversees and evaluates all aspects of the institution’s animal care and use program. Besides the committee, UO must have at least one full-time veterinarian and animal welfare manager and support staff. This is separate from the core facility that houses the animals. UO may not be able to keep up with federal mandates for animal facilities, and some or all might have to shut down.
- b. UO’s Institutional Review Board (“IRB”) is charged with reviewing and managing all research involving human subjects, to ensure the ethical treatment of subjects and the protection of their privacy. Without appropriate funding for indirect costs, UO would have to reduce staffing on the IRB by an as-yet-unknown number of

individuals, which would immediately impact its ability to review research projects.

That would in turn lead to substantial delays in critical research such as clinical trials that rely on human subjects, including projects funded by NIH.

- c. UO's Sponsored Projects Services ("SPS") Office provides fiscal and compliance oversight of sponsored research spending. SPS also provides guardrails and training to prevent fraud, abuse, and waste of federal funds, which are critical functions.
- d. Other research integrity or compliance issues such as Conflict of Interest and Commitments, export controls, and research misconduct issues would be impacted due to layoffs of expert staff in these areas.

16. Disruption of F&A funds will also cause our Libraries and IT department to suffer, both of which require some assistance for their financial sustainability. Books, journals, high-performance computing, and data storage are critical to conducting state-of-the-art research.

17. The University of Oregon has for decades relied on the payment of indirect costs. And until now, we have been able to rely on the well-established process for negotiating indirect cost rates with the government to inform our budgeting and planning. Operating budgets rely on an estimate of both direct and indirect sponsored funding to plan for annual staffing needs (*e.g.*, post-doctoral students, PhD students, and other research staff), infrastructure support (*e.g.*, IT networks, regulatory compliance, and grant management support), and facility and equipment purchases. Training graduate students and post-doctoral students is part of the mission of UO, aligned with the mission of the NIH. Without the funding, UO could not cover the cost of teaching and training students and postdocs. Thus, it would harm the nation and society if we are not developing talent for the next and the following generations.

18. In addition to the immediate impacts and reliance interests described above, there are longer term impacts that are both cumulative and cascading. A sudden loss of funding will require us to triage to ensure that critical life-safety issues are covered, biohazards are controlled, animals receive care, and all rules governing the use of human subjects are covered. What will be left behind are longer term functions such as continuity of our lab safety programs, repair and replacement of aging equipment, and important training to keep our staff fluent in the state of the art with respect to both science and safety.

19. Disruptions to the University of Oregon's research will also have negative effects in the Eugene area, the state of Oregon, and the broader region. UO directly employs more than 5,000 Eugene residents, making us one of the largest employers in our region. Our employees are, predictably, highly educated and enormously dedicated to the production of knowledge and the attainment of college degrees. We are dedicated to helping to solve regional challenges like earthquake risk management and the early detection of and prevention of wildfires. A massive reduction in the University of Oregon's research budget would immediately and seriously jeopardize these contributions to the local region.

20. Nor can the University of Oregon cover the funding gap itself. We are a tuition-dependent institution with limited support from the State. The legislature provides roughly 7% of our total revenues for operation. The State's support for our research, which is enormously appreciated, is a drop in the bucket compared to the real costs of keeping a world-class research operation current. While the University of Oregon Foundation, a separate 501(c)(3) that is independent of the university, maintains an endowment on behalf of the University of Oregon, it is neither feasible nor sustainable for UO to use endowment funds or other revenue sources to offset shortfalls in indirect cost recovery, for several reasons:



- a. The majority of the University of Oregon Foundation's assets—around 97.6%—is restricted to specific donor-designated purposes, such as scholarships or faculty chairs, or the assets are restricted in time. The University of Oregon Foundation and the University of Oregon are not legally permitted to use those funds to cover research infrastructure costs unless those restrictions specifically designate this purpose.
  - b. Even the portion of the endowment that is unrestricted is subject to a carefully managed annual payout, typically around 4%, to ensure long-term financial stability for the institution.
  - c. As a non-profit institution, UO reinvests nearly all of its revenue into mission-critical activities, leaving little margin to absorb unexpected funding gaps. In the current fiscal year, the University of Oregon is forecasting a deficit in its Education and General Fund, the fund used for general education and administrative functions of the institution. This deficit is due to many economic forces impacting both revenues and expenditures and is requiring significant examination of cost-cutting measures. In other words, unlike for-profit organizations, UO does not generate significant surpluses that could be redirected without impacting core academic priorities such as educational programs and financial aid support for students that are already under significant stress and are primarily funded by student tuition dollars.
21. Moreover, absorbing the cost of a lower indirect cost rate, even if it were possible, would create long-term budget pressures on the University of Oregon—which would in turn force reductions in key investments supporting UO's faculty, students, staff, research, and teaching

infrastructure, as well as other critical activities needed to maintain University of Oregon's academic excellence.

22. I understand that one argument for reducing the federal government's contribution to indirect costs is that universities do not charge the same costs to foundations who fund research. From my experience, this is false. In reality, at least with respect to the University of Oregon, we accept relatively few biomedical-related foundation grants. Within those grants, we generally do not include the same sorts of costs in what foundations consider "indirect costs." Rather, much of what is considered "administration" by federal agencies like NIH are put into the direct costs of foundation grants. We negotiate with foundations to allow fully loaded charges and administrative costs as a component of "direct" costs. Under federal statutes, we are forced to offer the least costs we can justify to cover our true costs for facilities and administration. Furthermore, foundations do not generally impose the strict (and costly) regulatory conditions that NIH typically imposes.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on February 10, 2025, at Eugene, Oregon.

/s/ Dr. Anshuman Razdan  
Dr. Anshuman Razdan